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U.S. Congress House. Committee on Labor

MINIMUM WAGE BILL.

JUNE 19, 1919.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. NOLAN, from the Committee on Labor, submitted the following

REPORT.

[To accompany H. R. 5726.]

The Committee on Labor, to which was referred the bills (H. R. 1235 and H. R. 5726) introduced by Mr. Nolan to fix the compensation of certain employees of the United States, having considered the same, report thereon with the recommendation that it pass.

The bill as reported by the committee reads as follows:

A BILL To fix the compensation of certain employees of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That after the passage of this act the minimum compensation of any person employed by the United States or by the government of the District of Columbia shall be not less than \$3 per day; or if employed by the hour not less than 37½ cents per hour; or if employed by the month not less than \$90 per month; or if employed by the year not less than \$1,080 per annum: *Provided*, That persons employed on a monthly or annual salary basis and who regularly perform less than a full day's service shall receive compensation at the rate of not less than 37½ cents per hour: *Provided further*, That the provisions of this act shall not apply to persons enlisted in the military or naval branches of the Government nor to the employees in the Philippine Islands, Porto Rico, the Territory of Hawaii, the Territory of Alaska, and the Panama Canal Zone, nor to persons holding appointments as postmasters, assistant postmasters, rural carriers, postal clerks, carriers in the City Delivery Service, or railway mail clerks: *Provided further*, That the provisions of this act shall apply only to those persons who shall have attained the age of eighteen years: *And provided further*, That in the case of an employee receiving quarters and subsistence in addition to his compensation, the value of such quarters and subsistence shall be determined by the head of the department, and the compensation of such employees, plus the value of quarters and subsistence, shall in no event be less than the rate fixed by this act.

SEC. 2. That upon the passage of this act the heads of departments in which are employed persons as defined in section 1 of this act shall issue new appointments at the increased rate of compensation herein provided.

Friday, June 6, was set by the committee for hearings on H. R. 1235. At that time the representatives of a number of organizations appeared in behalf of the bill.

Present before the committee: Mr. Luther C. Steward, of Washington, D. C., president National Federation of Federal Employees; Mr. Charles F. Nagl, fifth vice president National Federation of

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Federal Employees, of Glen Ellyn, Ill.; Miss Ethel M. Smith, secretary legislative committee National Women's Trade Union League; Miss Gertrude M. McNally, secretary Women's Union, Bureau of Engraving and Printing, Washington, D. C., affiliated with the National Federation of Federal Employees; Miss Cora McCarty, Grade Teachers' Union; Miss May Bradshaw, High School Teachers' Union; Mr. William B. Baird, public store No. 1, Customs Service, Baltimore, Md.; Mr. Frederick W. Winslow, United States customhouse, Baltimore, Md., Federal Employees' Union, No. 21; Octavius Dix, representing scale force, Baltimore, Md., Federal Employees' Union, No. 21; Mr. William F. Franklin, vice president Federal Employees' Union, No. 89, Washington, D. C.; Mr. Richard Taylor, Federal Employees' Union, No. 71, Washington, D. C.; Miss Kate V. Smoot, Bindery Women's Union; Elizabeth Hayden, Grade Teachers' Union; Mr. Norman Sprague, Printing Pressman's Union, No. 1; Mr. William E. Griffith, fourth vice president National Federation of Federal Employees; Mr. Roy E. Peabody, national organizer, National Federation of Federal Employees; Mr. Henry Raines, Federal Guard and Watchmen's Union; George Warren, Federal Employees' Union, No. 2; Mathew Thompson, Federal Employees' Union, No. 21, of Baltimore, Md.; Misses Belle A. Trouland, Mary Brickhead, Lillian Gray, Katherine Tracy, Lula Dewey, Ella Walters, and Mabel Rackey, Women's Union, Bureau of Engraving and Printing, Washington, D. C.

The following organizations also by letter indorsed the bill: American Federation of Labor, National Federation of Post-Office Clerks, National Association of Letter Carriers. The bill has also received the indorsement of successive conventions of the American Federation of Labor for the last seven years.

Practically every State federation of labor and local central council of labor in this country has recorded itself in favor of this legislation during the last six years.

A bill similar in character passed the House in the Sixty-fifth Congress, with only 14 negative votes cast against it.

This bill was ordered reintroduced and reported favorably by the committee, after the following changes had been adopted: The age limit was reduced from 20 to 18 years, and the two-year probation period eliminated; the bill was also made to apply to those employees of the civil establishment who receive quarters or subsistence or both, deduction being made for the value of the quarters or subsistence. The bill also differs from the bill that passed the Sixty-fifth Congress, because it takes effect immediately instead of the beginning of the fiscal year following the passage of this act.

If the Sixty-fifth Congress was justified in passing a bill of this kind during the war period and before the armistice was signed, there is ample justification for the Sixty-sixth Congress to pass this bill with the various changes immediately.

Instead of prices decreasing, as a great many predicted during the debate on this bill in the last Congress, since the armistice was signed prices of commodities in many instances have increased, and in the District of Columbia the landlords are awaiting the signing of the peace treaty, when they will not be bound by the Saulsbury law, to increase the rents so that they will more than eat up the additional bonus of \$120 which goes into effect the 1st of July, 1919.

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This bill will benefit the lowest paid employees of the Government of the United States not alone in the District of Columbia but all over the United States and tend to relieve the privation and distress in the homes of these employees. Abundant testimony to show these conditions can be found in the various hearings held on this bill before the House and Senate committees.

As justification for the minimum wage provided in this bill, there is here appended the statement of Mr. W. F. Ogburn, statistical expert of the War Labor Board:

[From Senate hearings on Johnson-Nolan bill, Jan. 28, 1919.]

Mr. OGBURN. I understand, Mr. Chairman, that you want some data for your committee bearing on the question of what is a living wage at the present time, and I understand that that was the purpose that your chairman asked me to come here to-day.

It has been my good fortune to have studied that question somewhat during the past eight or nine months as an expert for the National War Labor Board. To come to the question at once, the problem is to find out what is a minimum standard of living, we will say, for a family of five, a man and his wife and three children. Now, you can very readily see that if one is asked what is the standard of living for a family of five, that we would get into the question of opinion a good deal, but as an expert or a statistician the problem is to find out first, rather by objective standards, if possible, what is this living wage, rather than what you might call subjective standards. If you were to ask a radical what is the standard of living, he might put the figure up very high; and if you were to ask a conservative what is the standard of living, he might put the figure below which we should not fall, and would push the figure fairly low, but our idea in making it is to get at it from an objective point of view, find out where the present cost is.

Taking the food, for instance, our idea is to allow a person enough food. Now, a man working at normal physical labor to-day should probably have about 3,500 calories of food a day. Our Army allows a man in the ranks between 4,000 and 5,000 calories a day. The British and the French both allow their men more than 3,500 calories per man per day. Some units of Italians are allowed a little under 3,500, but most experts figure that many are necessary for a man to do good work. A man working in the woods, a man chopping down trees, or working at such violent work as that, would need about 5,000 calories a day, but if we take 3,500 calories a day we would be on a pretty reasonable basis as to what a person ought to have in order to be well fed. There ought to be a certain amount of iron and phosphates and sulphates, and there ought to be so much fat and proteins, and it ought to be balanced.

Without going into these things in detail, I will say that last summer I had compiled a dietary taken from 600 families living in New York City, and had it analyzed, and it cost \$605 per year last summer, and I had that analyzed, and it yielded only 3,100 calories. It is pretty certain that a family purchasing food would have to pay, for a family of three, more than \$600 a year. That is to say, that the food would have to cost, in order to get them enough calories, more than \$600 a year. You can get a cheap diet if you specialize in cereals, but a cereal diet is not very good for one, because it does not contain the necessary minerals and waste matters. There were three other dietaries made, which showed that it cost nearly the same, taking into consideration the meat and the vegetables and the cereals. So I think that it is safe to figure on that, that a family ought to have food enough, and that food must cost over \$600 a year. However, that was made last summer, and that would contemplate that the prices have remained stationary for nearly a year, but as a matter of fact the prices have gone up since last summer.

Now, we can go down the line with the various items of the budget and figure on clothing so much, and allow a man but one hat a year, and one cap a year, and one suit a year, and so on, and we can allow, when we fix these budgets, we can allow for so many overalls and so many gloves and socks, and the clothing allowance can be determined in some such way as that. Then the only way that you can tell whether the clothing allowance is just is to look at the goods. Various tests could be made for the clothing, and when we do that, when we made those tests, we find that the lower the income is the smaller is the amount of clothing necessary for the wife. When the income is very low the wife spends about 50 per cent as much as the husband—

Senator HOLLIS. And in order to protect the weaker sex the income should be that much more.

Mr. OGBURN. You can determine at various figures what it is, and similarly you can figure on how much should be allowed for various items of expenses, rent, and fuel, and so on. Heat is turned on 180 days a year in Washington, on the average, and we know that it will take about 150,000 British thermal units per room per day, and we can figure out the differentials in the climate, etc. This is simply to show to you that you can approach the subject from an objective basis.

Senator HOLLIS. And what do you figure the annual sum would be to clothe a family decently and comfortably?

Mr. OGBURN. Well, I did not figure that exactly. The words "decently and comfortably" bother me.

Senator HOLLIS. You are the best judge that we have of that.

Mr. OGBURN. That would cause us to differentiate between three or four budget levels. One would be the bare subsistence level—

Senator HOLLIS. That is so that they could have enough clothing to keep out of jail?

Mr. OGBURN. Or the hospital. Another would be the minimum comfort level, which would give more comfort, and we have a level above that which would give the person an opportunity to develop his faculties, and so on. But for clothing, the budget which I drew up last summer for the consideration of the board, in that I allowed the following figures: Per man, \$76; per woman, \$55; for children from 11 to 16, \$44; for children from 7 to 10, \$33; and for children under 6, \$30.

Senator HOLLIS. Is that the minimum?

Mr. OGBURN. Yes, sir.

Senator HOLLIS. And is that a fair average?

Mr. OGBURN. That is what I call the minimum. If you purchase clothing in quantity probably you can get an idea of what it means. I mean if you purchase them for a group. It is not every individual that will have a sweater, some may have, and some may not have. But if we compute the thing for a group, we compute it on the average, and it comes out sometimes in fractions. So, when I say eight-tenths of a sweater, that is what it means on the average for the group. That would be buying articles something like this, and I will give you this so you may get the idea. They would want per year: Gloves and mittens, 24 pairs; hats and caps, $1\frac{1}{2}$; overalls, $1\frac{1}{2}$; over-coats, 0.2; shirts, 3.3; shoes, 2.8; socks, 16 pairs; suits, $\frac{3}{4}$; sweaters, 0.2; trousers, 0.8; underwear, 3.5. That figure, leading that off as a sample, will give you an idea what amount a man would buy in the way of clothing.

Senator HOLLIS. Now as to fuel. What is your conclusion about fuel?

Mr. OGBURN. Why, we allowed in this budget for fuel and lights combined, \$62.

The CHAIRMAN. And another item is rent.

Mr. OGBURN. Well, then it is almost impossible to say what rent is, without fixing upon a particular city, and determining upon the situation in those various cities, and I am not sure just what the rent situation would be in Washington, but we used for rent about 20 per cent of the budget—

The CHAIRMAN. Then you would add 25 per cent to the other items?

Mr. OGBURN. Yes. Perhaps I can get it better in this way. The Bureau of Labor Statistics made a study of the cost of living in Washington, D. C., as requested by Congress, in the spring of 1917, and made the figures for the year 1916, and they assembled their data for a family of five, a man and wife and three children; and they found that in the District of Columbia in 1916—and the cost of living has increased probably nearly 50 per cent since then—and they found that the families which got an income of less than \$1,150, on the average, were in debt; that those that got \$1,150 were not in debt, and that those that got more than \$1,150 were out of debt and had a surplus. That figure is of considerable value as it bears upon the District of Columbia, and you will be interested to know how that \$1,150 was expended. I can read off the items to you, so that you can get an idea of the cost of living for a family in 1916. It amounted to \$458 for food, \$225 for rent, \$67 for fuel and light, \$124 for clothing, and \$275 for sundries. A man's clothing cost \$43 and a woman's clothing cost \$30, and the clothing for three children \$51. They allowed \$47 for insurance, \$10 was expended for religious purposes, \$33 for furniture, \$9 for books and magazines and newspapers, and for theaters and moving pictures and kindred amusements \$11 was spent, and for sickness, \$35. Those are actual figures as they would apply to a family of five, a man and his wife and three children. You can see from those figures how the cost of living was at that time.

But to proceed to the point, I want to say that I approach the study of what is a minimum wage in this way: In the first place, last summer I drew up a budget in consultation with a number of experts, after a study of some 600 family schedules collected in the New York shipbuilding district, and I based it upon close analysis, and this close analysis for the last summer showed that it came to between thirteen hundred and fifty and fourteen hundred dollars.

The CHAIRMAN. Right there. Was there a minimum wage fixed in that industry?

Mr. OGBURN. There was no minimum wage in that industry.

The CHAIRMAN. What was the result of these figures that you had in that budget? I thought that the Labor Board did fix a minimum wage in that industry.

Mr. OGBURN. No; that was the Shipbuilding Labor Adjustment Board, which is another body.

Senator HOLLIS. And the wage was fixed by that body?

Mr. OGBURN. They have set the wages, but I do not think that the board has ever declared a minimum in the wages that they set. The National War Labor Board has had before them in printed form the budgetary studies that I have made, and it was made for them. They, however, did not adopt any wage, that is, a minimum wage. This may have been because they did not want to, or it may have been because the cases that came before them varied—showed varied conditions in the various parts of the country, and conditions were changing, and there were many other reasons why a minimum wage should not be adopted, but they had the data before them to show the cost of living.

I wanted to point out to you how I got at the question of what the minimum wage is. That budget was between \$1,350 and \$1,400. I think that \$1,386 was the budget that I drew up last summer, and I went over three budgets which had been drawn up in six years; one of them was drawn up by Mr. Chapin, and was used, or was to be used, by the Russell Sage Foundation. I took this budget, which was made in 1907, as official, and it was between eight hundred and nine hundred dollars. I took the factory commission budget, drawn up by the New York Factory Commission, which was drawn up in 1914, and the New York Board of Estimates budget, which was drawn up by the bureau of personal service of that board, and I applied the increases in the cost of living which had taken place since those budgets were made and brought them up to date, and all of them came to about \$1,350 or \$1,400, except one. Then I took my budget, bringing it up to date by applying the increased cost of living. They came to very nearly my budget. I took another way of approximating the thing. I took the food and found out how much the food would cost, and gave them the requisite number of calories. We have a large number of budget studies, and we know what the level of what we call the minimum subsistence of food is, and we know that food is about 43 per cent of the budget. Then I got my food budget and I assumed that at 43 per cent, and that also came to between \$1,350 and \$1,400.

So last summer it seems to be pretty true that the cost of living must have been around thirteen hundred and fifty and fourteen hundred dollars for a family of a man and his wife and three children—between thirteen hundred and fifty and fourteen hundred dollars. Since that time the cost of living has increased in such a way that it could be maintained, by both the friends and enemies of this bill, that to-day, at the present time, in the large eastern cities, this minimum level of subsistence, which is sometimes called a bare subsistence level, must to-day be about \$1,500. I think that that could be maintained, as I say, by a great deal of data and evidence, both by the friends of the bill and by the enemies of the bill alike. In other words, it must cost pretty nearly that much in the large eastern cities for a man to live to-day with his family so that he can maintain his physical existence.

The CHAIRMAN. Now, we know that a great many families get less than that. Will you tell us what, in your opinion, if you do not know as a matter of fact, those families do? What is the result of a lesser wage with those families?

Mr. OGBURN. Well, in the large eastern cities at the present time families with three children—it is very questionable whether there are very many getting less than that. We have in that bureau—

Senator HOLLIS. We know that there are a great many getting less than that in the District of Columbia.

Mr. OGBURN. Perhaps that may be. There may be families who are getting less than that, but there are a good many families of them who will not have three children.

Senator HOLLIS. Let me invite your attention to that directly. It is my observation that they get incomes in some other way, either through their gardens or by working nights. Of course, the alternative is that they run in debt or are objects of charity; they are underclothed or undernourished.

Mr. OGBURN. I was going to try to answer that question and say, in the first place, that there are some of the families where the wages we know are less than \$1,500 a year. Some of the families may not have that number of children and they may get along in that way. This figure of \$1,500 is arranged for an average; that is to say, we know there is such a thing as variability. One individual may require only 3,100 calories and another may require 3,900 calories. In an average there are always some, a small percentage of that, that can get along at less than that figure. This figure that I have drawn is for the average. Then, there are others who supplement the average by the working of their children and by keeping of a garden, and so on.

There are others who are slowly starving. I do not mean by that that the starvation is like that in India, but a slow starvation in which it is largely a question of the system becoming weakened and disease sets in, and really it is attributable to malnutrition, which is just one phase of the starvation problem. Of course, there are a good many of them who cut down on clothing and very oftentimes it happens; and this is one of the startling things about these studies, that families that get low incomes will cut down on their food in order to take a certain amount of recreation, and that has forced all of us in our budget studies to put in certain items for recreation, and we know that that is necessary because we find, as a matter of fact, that they will go without food in order to take a certain amount of recreation. In other words, recreation is as an essential proposition as food. All of these budgets do not allow that, but some of them do.

Senator HOLLIS. Do you consider that a \$3 minimum for Government employees in the United States is unreasonable—I mean unreasonably high?

Mr. OGBURN. My data this morning has been concerned with the large eastern cities. It is certainly not unreasonably high. The chairman asked a good many questions in the matter of the variation of the cost of living in the different parts of the country. It is probably true that food costs somewhat less in the Southern States than it does in the Eastern States. That is not due to the price of food as to the different dietaries that are used there. If you applied the same dietary there would be very little difference. There are some differences in the standards of living in regard to fuel necessary, and perhaps in the clothing, although it is not so widely varied as is thought. But looking at the question, I can say that it is probably true that the variation in different parts of the country is not nearly as great as is customarily assumed, and I would be inclined to think that \$1,500 is a living minimum wage in a large eastern city, and that there would be a very few places where a thousand dollars—where it would get down to that. It is quite conceivable in certain rural districts and far outlying portions you could find a person living on a great deal less than that; but I do not imagine that a good many of the employees would be employed under such conditions as that.

There can be no question as to the tremendous increase in cost of living and these increases have fallen heaviest on the low-paid employees and this bill will be a great blessing to them.

As to its probable cost, it has been hard to get a correct estimate to date from the various departments and independent bureaus. Senator Jones, chairman of the Senate subcommittee of the Committee on Education and Labor, tried to get a correct estimate from the departments, but was unable to do so on account of the great turnover in this class of labor and the rapid changes that are taking place in the various branches of the Government.

The following estimate was secured in 1914 and with increases granted in the mechanical departments as well as in other branches from time to time your committee feels that the passage of this bill will not entail any greater increases than estimated here rather the increase will be considerably less:

Estimated annual increase in appropriations.

Department.	Number of persons affected.	Increase in appropriations.
White House.....	7	\$1,920
State Department.....	56	14,600
Treasury Department.....	11,411	3,745,216
War Department ¹	19,100	8,700,000
Department of Justice.....	796	158,174
Post Office Department:		
Departmental.....	468	
Postal Service.....	11,000	
Navy Department (except Mare Island Navy Yard).....	11,468	4,887,505
Interior Department ¹	8,728	2,439,554
Department of Agriculture.....	4,904	2,191,278
Department of Commerce ¹	2,447	602,577
Department of Labor.....	707	269,226
	537	108,144
Total in departmental service.....	60,161	23,118,194

Estimated annual increase in appropriations—Continued.

Department.	Number of persons affected.	Increase in appropriations.
Miscellaneous establishments:		
Smithsonian Institution.....	301	\$108,845
Botanic Garden.....	30	10,463
Civil Service Commission.....	41	8,120
Federal Trade Commission.....	56	16,800
Government Printing Office.....	1,660	432,484
Panama Canal (Washington only).....	40	7,420
Interstate Commerce Commission.....	180	52,290
Alaskan Engineer Commission.....	5	1,080
Total United States Government employees.....	62,474	23,755,696
District of Columbia employees.....	3,812	1,248,510
Grand total.....	66,286	25,004,206
Add Mare Island Navy Yard.....	460	69,836
	66,746	25,074,042

RECAPITULATION OF TOTAL ESTIMATES.

Executive departments, all branches.....	60,161	\$23,118,194
Miscellaneous establishments, commissions, Government Printing Office, etc.....	2,313	637,502
Total United States Government employees.....	62,474	23,755,696
District of Columbia employees.....	3,812	1,248,510
Grand total.....	66,286	25,004,206

¹ Subject to some modifications on account of the inclusion of part-time employees, such as charwomen, etc.

For years efforts have been made to regulate child labor, and it was only recently that this House passed a child-labor bill. That measure affects the great industries of this country; it removes the long existing practice of exploiting the child of tender years in the factories, mines, and workshops of our Nation. The Members of this House believed that those children should be in school and should have the opportunity to build up their minds and bodies under healthful conditions. Is it not equally our duty toward the low-paid Government employee to see that he has a sufficient wage to enable him to bring up his children under decent and healthful conditions of mind and body?

This measure will foster true Americanism and is one of the few sound measures of preparedness that the Sixty-sixth Congress has had placed before it.

There may be some who will say that \$3 per day is too high a rate for the men and women employed by the Government. But would they like to labor for or try to raise a family and live on that or less? Wages of the unskilled laborers all over the country have been advancing, and they are not far from this rate. Strikes and walkouts are taking place among the unorganized, unskilled workers all over the country for advances in wages to meet increased prices, and this will continue until the low-paid workers in industry are given greater consideration.

The underpaid Government employees are mostly unorganized, but even where they are organized they do not strike to have their grievances adjusted. They depend upon the Government or Congress to treat them fairly; and here is our opportunity, though long delayed, to make the Government of the United States the model employer.

In striking contrast with this Government's treatment of its employees is that of Denmark, as shown in the following extract from our consul general, E. D. Winslow, at Copenhagen:

[Extract from report of Consul General E. D. Winslow, Copenhagen, Denmark, Feb. 4, 1916. Printed in Supplement to Commerce Reports No. 4a, Mar. 29, 1916.]

DENMARK.

As the hardships of the war fell most heavily on those having fixed incomes and salaries, the Government has increased the salaries of its employees to meet the higher cost of living.

The printed record of the hearings before the subcommittee contains a number of heartrending stories of Government employees who have worked in different departments for a number of years. They tell of their struggle for existence; how the family has had to depend upon neighbors and others for charity, and in some instances were not able to purchase any new clothing for a period covering seven or eight years; and others testified that they had not entered a moving-picture show or other place of amusement in four years.

Statements were made by individuals and those representing organizations of employees of conditions in the Government service, where employees were compelled to work overtime without extra compensation; also, complaints about favoritism shown in the matter of promotions, where length of service did not receive consideration; of misrepresentation by correspondence schools and others of the advantages afforded the Government employee. But your committee could not consider these complaints, as the bill before it pertained only to the question of salaries, and therefore confined itself to the subject matter of the bill.

It is the belief of your committee that this is the first time in the history of this Government that the true conditions as affecting the cost of living of its low-salaried employees has ever been brought to the attention of any committee of Congress and so thoroughly investigated as has been the case in this instance.

The passage of this bill will have a tendency to bring into the Government service the very highest type of young men and young women to fill the vacancies in the lower grades and will give the Government the first choice in the labor market as against private employers, thus tending to make the Government service highly efficient, for, after all, well-paid workers do their work efficiently and economically. Cheap work is always poor work, and with the right standard set the Government will profit by stimulating interest on the part of its employees.



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